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[Report No. 338]

IN THE SENATE OF THE UNITED STATES

MAY 9 (legislative day, APRIL 11), 1949

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, reported the following bill; which was read twice and placed on the calendar

A BILL

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

3 **SHORT TITLE**

4 That this Act may be cited as the "Federal Property and Administrative Services Act of 1949".

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1 DECLARATION OF POLICY

2 SEC. 2. It is the intent of the Congress in enacting this
3 legislation to provide for the Government an economical and
4 efficient system for (a) the procurement and supply of per-

1 sonal property and nonpersonal services, including related
2 functions such as contracting, inspection, storage, issue, speci-
3 fications, property identification and classification, transporta-
4 tion and traffic management, management of public utility
5 services, repairing and converting, establishment of inventory
6 levels, establishment of forms and procedures, and representa-
7 tion before Federal and State regulatory bodies; (b) the
8 utilization of available property; (c) the disposal of surplus
9 property; and (d) records management.

10 DEFINITIONS

11 SEC. 3. As used in this Act—

12 (a) The term "executive agency" means any executive
13 department or independent establishment in the executive
14 branch of the Government, including any wholly owned Gov-
15 ernment corporation.

16 (b) The term "Federal agency" means any executive
17 agency or any establishment in the legislative or judicial
18 branch of the Government.

19 (c) The term "Administrator" means the Administrator
20 of General Services provided for in title I hereof.

21 (d) The term "property" means any interest in prop-
22 erty of any kind except (1) the public domain and lands
23 reserved or dedicated for national forest or national park
24 purposes; and (2) naval vessels of the following categories:

1 Battleships, cruisers, aircraft carriers, destroyers, and sub-
2 marines.

3 (e) The term "excess property" means any property
4 under the control of any Federal agency which is not required
5 for its needs and the discharge of its responsibilities, as
6 determined by the head thereof.

7 (f) The term "foreign excess property" means any
8 excess property located outside the continental United
9 States, Hawaii, Alaska, Puerto Rico, and the Virgin
10 Islands.

11 (g) The term "surplus property" means any excess
12 property not required for the needs and the discharge of
13 the responsibilities of the Federal Government, as deter-
14 mined by the Administrator.

15 (h) The term "care and handling" includes complet-
16 ing, repairing, converting, rehabilitating, operating, pre-
17 serving, protecting, insuring, packing, storing, handling, con-
18 serving, and transporting excess and surplus property, and, in
19 the case of property which is dangerous to public health or
20 safety, destroying or rendering innocuous such property.

21 (i) The term "person" includes any corporation, part-
22 nership, firm, association, trust, estate, or other entity.

23 (j) The term "nonpersonal services" means such con-
24 tractual services, other than personal and professional
25 services, as the Administrator shall designate.

1 (k) The term "contractor inventory" means (1)
2 any property acquired by and in the possession of a con-
3 tractor or subcontractor under a contract pursuant to the
4 terms of which title is vested in the Government, and in
5 excess of the amounts needed to complete full performance
6 under the entire contract; and (2) any property which
7 the Government is obligated to take over under any type
8 of contract as a result either of any changes in the speci-
9 fications or plans thereunder or of the termination of such
10 contract (or subcontract thereunder), prior to completion
11 of the work, for the convenience or at the option of the
12 Government.

13 TITLE I—ORGANIZATION

14 GENERAL SERVICES AGENCY

15 SEC. 101. (a) There is hereby established an agency
16 in the executive branch of the Government which shall be
17 known as the General Services Agency.

18 (b) There shall be at the head of the General Services
19 Agency an Administrator of General Services who shall be
20 appointed by the President by and with the advice and
21 consent of the Senate, receive compensation at the rate of
22 \$ per annum, and perform his functions subject to
23 the direction and control of the President.

24 (c) There shall be in the General Services Agency a
25 Deputy Administrator of General Services who shall be

1 appointed by the Administrator of General Services and
2 receive compensation at the rate of \$ per annum.

3 The Deputy Administrator shall perform such functions
4 as the Administrator shall designate and shall be Acting
5 Administrator of General Services during the absence or
6 disability of the Administrator and, unless the President
7 shall designate another officer of the Government, in the
8 event of a vacancy in the office of Administrator.

9 (d) Pending the first appointment of the Administrator
10 under the provisions of this section, his functions shall be
11 performed temporarily by such officer of the Government
12 in office upon or immediately prior to the taking of effect
13 of the provisions of this Act as the President shall designate.

14 TRANSFER OF BUREAU OF FEDERAL SUPPLY

15 SEC. 102. (a) The Bureau of Federal Supply in the
16 Department of the Treasury and its functions, records, prop-
17 erty, personnel, obligations, and commitments, are hereby
18 transferred from the Department of the Treasury to the
19 General Services Agency, together with such additional
20 records, property, and personnel of the Department of the
21 Treasury as the Director of the Bureau of the Budget shall
22 determine to relate primarily to functions transferred by this
23 section or vested in the Administrator by titles II, III, and
24 V of this Act. There shall be at the head of the Bureau of
25 Federal Supply a Commissioner of Federal Supply, who shall

1 be appointed by the Administrator and who shall receive
2 compensation at the rate of \$ per annum. The
3 functions of (1) the Director of the Bureau of Federal
4 Supply, (2) the personnel of such Bureau, and (3) the
5 Secretary of the Treasury, relating to the Bureau of Federal
6 Supply, are hereby transferred to the Administrator.

7 (b) The functions of the Director of Contract Settlement
8 and of the Office of Contract Settlement, transferred
9 to the Secretary of the Treasury by Reorganization Plan
10 Numbered 1 of 1947, are transferred to the Administrator
11 and shall be performed by him or, subject to his direction
12 and control, by such officers and agencies of the General
13 Services Agency as he may designate. The Contract Set-
14 tlement Act Advisory Board created by section 5 of the
15 Contract Settlement Act of 1944 (58 Stat. 649) and the
16 Appeal Board established under section 13 (d) of that Act
17 are transferred from the Department of the Treasury to the
18 General Services Agency, but the functions of these Boards
19 shall be performed by them, respectively, under con-
20 ditions and limitations prescribed by law. There shall
21 also be transferred to the General Services Agency such
22 records, property, personnel, obligations, commitments, and
23 unexpended balances (available or to be made available)
24 of appropriations, allocations, and other funds of the Treas-
25 ury Department as the Director of the Bureau of the Budget

1 shall determine to relate primarily to the functions trans-
2 ferred by the provisions of this subsection.

3 (c) Any other provision of this section notwithstanding,
4 there may be retained in the Department of the Treasury
5 any function referred to in subsection (a) of this section
6 which the Director of the Bureau of the Budget shall, within
7 ten days after the effective date of this Act, determine to be
8 essential to the orderly administration of the affairs of the
9 agencies of such Department, other than the Bureau of Fed-
10 eral Supply, together with such records, property, personnel,
11 obligations, commitments, and unexpended balances of ap-
12 propriations, allocations, and other funds, available or to be
13 made available, of said Department, as said Director shall
14 determine.

15 TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

16 SEC. 103. (a) There are hereby transferred to the
17 General Services Agency (1) the Public Buildings Admin-
18 istration, which shall hereafter be known as the Bureau of
19 Public Buildings, and its functions, records, property, per-
20 sonnel, obligations, and commitments, (2) the Public Roads
21 Administration, which shall hereafter be known as the
22 Bureau of Public Roads, and its functions, records, property,
23 personnel, obligations, and commitments, and (3) all other
24 functions, records, property, personnel, obligations, and
25 commitments of the Federal Works Agency. All functions

1 of the Federal Works Administrator, of the Commissioner of
2 Public Buildings, and of the Commissioner of Public Roads
3 are hereby transferred to the Administrator of General
4 Services.

5 (b) There are hereby abolished the Federal Works
6 Agency, the office of Federal Works Administrator, and the
7 office of Assistant Federal Works Administrator.

8 (c) Without regard to the provisions of section 103 (b),
9 the President may continue, for such duration as he shall
10 determine, as a constituent agency of the General Services
11 Agency, the heretofore existing Bureau of Community
12 Facilities of the Federal Works Agency.

13 (d) The Commissioner of Public Buildings and the
14 Commissioner of Public Roads shall hereafter each receive
15 compensation at the rate of \$ per annum.

16 TRANSFER OF THE NATIONAL ARCHIVES

17 SEC. 104. (a) The National Archives Establishment
18 and its functions, records, property, personnel, obligations,
19 and commitments are hereby transferred to the General
20 Services Agency. There are transferred to the Administra-
21 tor (1) the functions of the Archivist of the United States,
22 except his functions under the Act of July 7, 1943 (57 Stat.
23 380, as amended), which excepted functions shall be per-
24 formed by the Archivist subject to the direction and control

1 of the Administrator, and except that the Archivist shall
2 continue to be a member or chairman, as the case may be,
3 of the bodies referred to in subsection (b) of this section,
4 and (2) the functions of the Director of the Division of the
5 Federal Register of the National Archives Establishment.
6 The Archivist of the United States shall hereafter be ap-
7 pointed by the Administrator and shall receive compensa-
8 tion at the rate of \$ per annum.

9 (b) There are also transferred to the General Services
10 Agency the following bodies, together with their respective
11 functions: (1) The National Archives Council and the Na-
12 tional Historical Publications Commission, established by the
13 Act of June 19, 1934 (48 Stat. 1122), (2) the National
14 Archives Trust Fund Board, established by the Act of July
15 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the
16 Franklin D. Roosevelt Library, established by the Joint
17 Resolution of July 18, 1939 (53 Stat. 1062), and (4) the
18 Administrative Committee established by section 6 of the
19 Act of July 26, 1935 (49 Stat. 501), which shall hereafter
20 be known as the Administrative Committee of the Federal
21 Register.

22 TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR
23 ASSETS ADMINISTRATION

24 SEC. 105. The functions, records, property, personnel,
25 obligations, and commitments of the War Assets Admin-

1 istration are hereby transferred to the General Services
2 Agency. The functions of the War Assets Administrator
3 are hereby transferred to the Administrator of General
4 Services. The War Assets Administration, the office of
5 the War Assets Administrator, and the office of Associate
6 War Assets Administrator are hereby abolished. Personnel
7 now holding appointments granted under the second sentence
8 of section 5 (b) of the Surplus Property Act of 1944, as
9 amended, may be continued in such positions or may be
10 appointed to similar positions for such time as the Admin-
11 istrator may determine.

12 REDISTRIBUTION OF FUNCTIONS

13 SEC. 106. The Administrator is hereby authorized, in
14 his discretion, in order to provide for the effective accom-
15 plishment of the functions transferred to or vested in him
16 by this Act, and from time to time, to regroup, transfer,
17 and distribute any such functions within the General Services
18 Agency, and with the approval of the Director of the Bureau
19 of the Budget to make appropriate transfers of funds in
20 connection therewith.

21 TRANSFER OF FUNDS

22 SEC. 107. All unexpended balances of appropriations,
23 allocations, or other funds available or to be made available,
24 for the use of the Bureau of Federal Supply, the War Assets
25 Administration, the Federal Works Agency, and the Na-

1 tional Archives Establishment, and so much of the other
2 unexpended balances of appropriations, allocations, or other
3 funds of the Department of the Treasury, available or to be
4 made available, as the Director of the Bureau of the Budget
5 shall determine to relate primarily to functions transferred
6 to or vested in the Administrator by the provisions of this
7 Act, shall be transferred to the General Services Agency
8 for use in connection with the functions to which such bal-
9 ances relate, respectively.

10 STATUS OF TRANSFERRED EMPLOYEES

11 SEC. 108. Subject to other provisions of this title relating
12 to personnel, employees transferred by the provisions of this
13 title shall be deemed to be employees of the General Services
14 Agency, and their reappointment shall not be required by
15 reason of the enactment of this Act.

16 TITLE II—PROPERTY MANAGEMENT

17 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

18 SEC. 201. (a) The Administrator shall, in respect of
19 executive agencies, and to the extent that he determines
20 that so doing is advantageous to the Government in
21 terms of economy, efficiency, or service, and with due
22 regard to the program activities of the agencies concerned—

23 (1) prescribe policies and methods of procurement
24 and supply of personal property and nonpersonal serv-
25 ices, including related functions such as contracting,

1 inspection, storage, issue, property identification and
2 classification, transportation and traffic management,
3 management of public utility services, and repairing
4 and converting; and

5 (2) operate, and, after consultation with the execu-
6 tive agencies affected, consolidate, take over, or arrange
7 for the operation by any executive agency of ware-
8 houses, supply centers, repair shops, fuel yards, and
9 other similar facilities; and

10 (3) procure and supply personal property and
11 nonpersonal services for the use of executive agencies
12 in the proper discharge of their responsibilities, and
13 perform functions related to procurement and supply
14 such as those mentioned above in subparagraph (1); and

15 (4) with respect to transportation and other
16 public utility services for the use of executive agencies,
17 represent such agencies in negotiations with carriers
18 and other public utilities and in proceedings involving
19 carriers or other public utilities before Federal and
20 State regulatory bodies;

21 *Provided*, That the Secretary of Defense may from time
22 to time, unless the President shall otherwise direct, exempt
23 the National Military Establishment from action taken or
24 which may be taken by the Administrator under clauses (1),

1 (2), (3), and (4) above whenever he determines such
2 exemption to be in the best interests of national security.

3 (b) The Administrator shall as far as practicable provide
4 any of the services specified in subsection (a) of this section
5 to any other Federal agency, mixed ownership corporation
6 (as defined in the Government Corporation Control Act), or
7 the District of Columbia, upon its request.

8 (c) In acquiring personal property, any executive
9 agency, under regulations to be prescribed by the Adminis-
10 trator, may exchange or sell similar items (provided that
11 such items are exchanged as a general practice in trade chan-
12 nels), and may apply the exchange allowance or proceeds
13 of sale in such cases in whole or in part payment for the
14 property acquired: *Provided*, That any transaction carried
15 out under the authority of this subsection shall be evidenced
16 in writing.

PROPERTY UTILIZATION

18 SEC. 202. (a) In order to minimize expenditures for
19 property, the Administrator shall prescribe policies and
20 methods to promote the maximum utilization of excess prop-
21 erty by executive agencies, and he shall provide for the
22 transfer of excess property among Federal agencies.

23 (b) Each executive agency shall (1) maintain ade-
24 quate inventory controls and accountability systems for the
25 property under its control, (2) continuously survey prop-

1 erty under its control to determine which is excess property,
2 and promptly report such property to the Administrator,
3 (3) perform the care and handling of such excess property,
4 and (4) transfer or dispose of such property as promptly
5 as possible in accordance with authority delegated and
6 regulations prescribed by the Administrator.

7 (c) Each executive agency shall, as far as practicable,
8 (1) make reassessments of property among activities within
9 the agency when such property is determined to be no longer
10 required for the purposes of the appropriation from which
11 it was purchased, (2) transfer excess property under its
12 control to other Federal agencies, and (3) obtain excess
13 property from other Federal agencies.

14 (d) Under existing provisions of law and procedures
15 defined by the Secretary of Defense, and without regard to
16 the requirements of this section except subsection (f), ex-
17 cess property of one of the departments of the National Mili-
18 tary Establishment may be transferred to another department
19 thereof.

20 (e) Transfers of excess property between Federal agen-
21 cies (except transfers for redistribution to other Federal
22 agencies or for disposal as surplus property) shall be at the
23 fair value thereof, as determined by, or pursuant to regula-
24 tions of, the Administrator, unless such transfer is other-
25 wise authorized by any law approved subsequent to June

1 21, 1944, to be without reimbursement or transfer
2 of funds.

3 (f) The Director of the Bureau of the Budget shall
4 prescribe regulations providing for the reporting to said
5 Director by executive agencies of such reassessments or
6 transfers of property between activities financed by different
7 appropriations as he shall deem appropriate, and the re-
8 assignments and transfers so reported shall be reported to
9 the Congress in the annual budget or otherwise as said
10 Director may determine.

11 (g) Whenever the Administrator determines that the
12 temporary assignment or reassignment of any space in
13 excess real property to any Federal agency for office, stor-
14 age, or related facilities would be more advantageous than
15 the permanent transfer of such property, he may make such
16 assignment or reassignment for such period of time as he
17 shall determine and obtain, in the absence of appropriation
18 available to him therefor, appropriate reimbursement from
19 the using agency for the expense of maintaining such space.

20 (h) The Administrator may authorize the abandonment,
21 destruction, or donation to public bodies of property which
22 has no commercial value or of which the estimated cost of
23 continued care and handling would exceed the estimated
24 proceeds from its sale.

1 DISPOSAL OF SURPLUS PROPERTY

2 SEC. 203. (a) Except as otherwise provided in this
3 section, the Administrator shall have supervision and direc-
4 tion over the disposition of surplus property. Such property
5 shall be disposed of to such extent, at such time, in such
6 areas, by such agencies, at such terms and conditions, and in
7 such manner, as may be prescribed in or pursuant to this Act.

8 (b) The care and handling of surplus property, pending
9 its disposition, and the disposal of surplus property, may be
10 performed by the General Services Agency or, when so
11 determined by the Administrator, by the executive agency
12 in possession thereof or by any other executive agency
13 consenting thereto.

14 (c) Any executive agency designated or authorized
15 by the Administrator to dispose of surplus property may do
16 so by sale, exchange, lease, permit, or transfer, for cash,
17 credit, or other property, with or without warranty, and
18 upon such other terms and conditions as the Administrator
19 deems proper, and it may execute such documents for the
20 transfer of title or other interest in property and take such
21 other action as it deems necessary or proper to dispose of
22 such property under the provisions of this title.

23 (d) A deed, bill of sale, lease, or other instrument

1 executed by or on behalf of any executive agency purporting
2 to transfer title or any other interest in property under this
3 title shall be conclusive evidence of compliance with the
4 provisions of this title insofar as concerns title or other
5 interest of any bona fide grantee or transferee for value
6 and without notice of lack of such compliance.

7 (e) Unless the Administrator shall determine that dis-
8 posal by advertising will in a given case better protect the
9 public interest, surplus property disposals may be made with-
10 out regard to any provision of existing law for advertising
11 until 12 o'clock noon, eastern standard time, December 31,
12 1950.

13 (f) Subject to regulations of the Administrator, any
14 executive agency may authorize any contractor with such
15 agency or subcontractor thereunder to retain or dispose of
16 any contractor inventory.

17 (g) The Administrator, in formulating policies with
18 respect to the disposal of surplus agricultural commodities,
19 surplus foods processed from agricultural commodities, and
20 surplus cotton or woolen goods, shall consult with the Sec-
21 retary of Agriculture. Such policies shall be so formulated
22 as to prevent surplus agricultural commodities, or surplus
23 food processed from agricultural commodities, from being
24 dumped on the market in a disorderly manner and dis-
25 rupting the market prices for agricultural commodities.

1 (h) Whenever the Secretary of Agriculture determines
2 such action to be required to assist him in carrying out his
3 responsibilities with respect to price support or stabilization,
4 the Administrator shall transfer without charge to the De-
5 partment of Agriculture any surplus agricultural commod-
6 ities, foods, or cotton or woolen goods to be disposed of.
7 Receipts resulting from disposal by the Department of
8 Agriculture under this subsection shall be deposited pursuant
9 to any authority available to the Secretary of Agriculture,
10 except that net proceeds of any sale of surplus property
11 so transferred shall be credited pursuant to section 204 (b),
12 when applicable. Surplus farm commodities so transferred
13 shall not be sold, other than for export, in quantities in
14 excess of, or at prices less than, those applicable with respect
15 to sales of such commodities by the Commodity Credit
16 Corporation.

17 (i) The United States Maritime Commission shall dis-
18 pose of surplus vessels of one thousand five hundred gross
19 tons or more which the Commission determines to be mer-
20 chant vessels or capable of conversion to merchant use, and
21 such vessels shall be disposed of only in accordance with the
22 provisions of the Merchant Marine Act, 1936, as amended,
23 and other laws authorizing the sale of such vessels.

24 (j) (1) Under such regulations as he may prescribe,
25 the Administrator is authorized in his discretion to donate

1 for educational purposes in the States, Territories, and pos-
2 sessions without cost (except for costs of care and handling)
3 such equipment, materials, books, or other supplies under
4 the control of any executive agency as shall have been
5 determined to be surplus property and which shall have
6 been determined under paragraph 2 or paragraph 3 of this
7 subsection to be usable for educational purposes.

8 (2) Determination whether such property (except sur-
9 plus property donated in conformity with paragraph 3 of this
10 subsection) is usable and necessary for educational purposes
11 shall be made by the Federal Security Administrator, who
12 shall allocate such property on the basis of needs and utiliza-
13 tion for transfer by the Administrator of General Services to
14 tax-supported school systems, schools, colleges, and univer-
15 sities, and to other nonprofit schools, colleges, and uni-
16 versities which have been held exempt from taxation under
17 section 101 (6) of the Internal Revenue Code, or to State
18 departments of education for distribution to such tax-
19 supported and nonprofit school systems, schools, colleges,
20 and universities; except that in any State where another
21 agency is designated by State law for such purpose such
22 transfer shall be made to said agency for such distribution
23 within the State.

24 (3) In the case of surplus property under the control of
25 the National Military Establishment, the Secretary of Defense

1 shall determine whether such property is usable and neces-
2 sary for educational activities that are of special interest to
3 the armed services, such as maritime academies or military,
4 naval, Air Force, or Coast Guard preparatory schools. If
5 such Secretary shall determine that such property is usable
6 and necessary for such purposes, he shall allocate it for
7 transfer by the Administrator to such educational activities.
8 If he shall determine that such property is not usable and
9 necessary for such purposes, it may be disposed of in accord-
10 ance with paragraph 2 of this subsection.

11 (k) Subject to the disapproval of the Administrator
12 within thirty days after the proposal of any action to be
13 taken under this subsection—

14 (1) the United States Commissioner of Education,
15 in the case of property transferred pursuant to the Sur-
16 plus Property Act of 1944, as amended, to States,
17 political subdivisions and instrumentalities thereof, and
18 tax-supported and other nonprofit educational insti-
19 tutions for school, classroom, or other educational use;

20 (2) the Surgeon General of the United States, in the
21 case of property transferred pursuant to the Surplus
22 Property Act of 1944, as amended, to States, political
23 subdivisions and instrumentalities thereof, tax-supported
24 medical institutions, and to hospitals and other similar

1 institutions not operated for profit, for use in the pro-
2 tection of public health (including research) ;

3 (3) the Secretary of the Interior, in the case of
4 property transferred pursuant to the Surplus Property
5 Act of 1944, as amended, to States, political subdivisions
6 and instrumentalities thereof, and municipalities for use
7 as a public park, public recreational area, or historic
8 monument for the benefit of the public; or

9 (4) the Secretary of Defense, in the case of prop-
10 erty transferred pursuant to the Surplus Property Act
11 of 1944, as amended, to States, political subdivisions and
12 tax-supported instrumentalities thereof for use in the
13 training and maintenance of civilian components of the
14 armed forces,

15 is authorized—

16 (A) to determine and enforce compliance with the
17 terms, conditions, reservations, and restrictions con-
18 tained in any instrument by which such transfer was
19 made;

20 (B) to reform, correct, or amend any such instru-
21 ment by the execution of a corrective, reformative, or
22 amendatory instrument where necessary to correct such
23 instrument or to conform such transfer to the require-
24 ments of applicable law; and

25 (C) to (i) grant releases from any of the terms,

1 conditions, reservations, and restrictions contained in,
2 and (ii) convey, quitclaim, or release any right or
3 interest reserved to the United States by, any instru-
4 ment by which such transfer was made, if he deter-
5 mines that the property so transferred no longer serves
6 the purpose for which it was transferred, and that such
7 release, conveyance, or quitclaim deed will not prevent
8 accomplishment of the purpose for which such prop-
9 erty was so transferred: *Provided*, That any such re-
10 lease, conveyance, or quitclaim deed may be granted
11 on, or made subject to, such terms and conditions as
12 he shall deem necessary to protect or advance the
13 interests of the United States.

14 (1) The Administrator is authorized to take possession
15 of abandoned and other unclaimed property on premises
16 owned or leased by the Government, to determine when
17 title thereto vested in the United States, and to utilize,
18 transfer or otherwise dispose of such property. Former
19 owners of such property upon proper claim filed within three
20 years from the date of vesting of title in the United States
21 shall be paid the proceeds realized from the disposition of
22 such property or, if the property is used or transferred, the
23 fair value therefor as of the time title was vested in the
24 United States as determined by the Administrator, less in

1 either case the costs incident to the care and handling of
2 such property as determined by the Administrator.

3 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

4 SEC. 204. (a) All proceeds under this title from any
5 transfer of excess property to a Federal agency for its use,
6 or from any sale, lease, or other disposition of surplus prop-
7 erty, shall be covered into the Treasury as miscellaneous
8 receipts, except as provided in subsections (b), (c), and (d)
9 of this section.

10 (b) Where the property transferred or disposed of was
11 acquired by the use of funds either not appropriated from
12 the general fund of the Treasury or appropriated therefrom
13 but by law reimbursable from assessment, tax, or other rev-
14 enue or receipts, then the net proceeds of the disposition or
15 transfer shall be credited to the reimbursable fund or ap-
16 propriation or paid to the Federal agency which determined
17 such property to be excess: *Provided*, That the proceeds
18 shall be credited to miscellaneous receipts in any case when
19 the agency which determined the property to be excess shall
20 deem it uneconomical or impractical to ascertain the amount
21 of net proceeds. As used in this subsection, the term "net
22 proceeds of the disposition or transfer" means the proceeds
23 of the disposition or transfer minus all expenses incurred
24 for care and handling and disposition or transfer.

25 (c) Any Federal agency disposing of surplus property

1 under this title (1) may deposit, in a special account with
2 the Treasurer of the United States, such amount of the
3 proceeds of such dispositions as it deems necessary to permit
4 appropriate refunds to purchasers when any disposition is
5 rescinded or does not become final, or payments for breach
6 of any warranty, and (2) may withdraw therefrom amounts
7 so to be refunded or paid, without regard to the origin of
8 the funds withdrawn.

9 (d) Where any contract entered into by an executive
10 agency or any subcontract under such contract authorizes
11 the proceeds of any sale of property in the custody of the
12 contractor or subcontractor to be credited to the price or
13 cost of the work covered by such contract or subcontract,
14 the proceeds of any such sale shall be credited in accordance
15 with the contract or subcontract.

16 (e) Where any mortgage, lien, or other interest as
17 security is retained in connection with any disposition of
18 surplus property under this title, the Administrator shall
19 preserve and manage such security and may enforce and
20 settle any right of the Government with respect thereto in
21 such manner and upon such terms as he deems in the best
22 interest of the Government.

23 POLICIES, REGULATIONS, AND DELEGATIONS

24 SEC. 205. (a) The President may prescribe such poli-
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1 cies and directives, not inconsistent with the provisions of
2 this Act, as he shall deem necessary to effectuate the provi-
3 sions of this Act, which policies and directives shall govern
4 the Administrator and executive agencies in carrying out
5 their respective functions hereunder.

6 (b) The Comptroller General shall prescribe principles
7 and standards of accounting for property, after considering
8 the needs and requirements of the executive agencies, coop-
9 erate with the Administrator and with the executive agencies
10 in the development of property accounting systems, and ap-
11 prove such systems when deemed to be adequate and in con-
12 formity with prescribed principles and standards. From time
13 to time the General Accounting Office shall examine such
14 property accounting systems as are established by the ex-
15 ecutive agencies to determine the extent of compliance with
16 prescribed principles and standards and approved systems,
17 and the Comptroller General shall report to the Congress any
18 failure to comply with such principles and standards or to
19 adequately account for property.

20 (c) The Administrator shall prescribe such regulations
21 as he deems necessary to effectuate his functions under
22 this Act, and the head of each Federal agency shall cause
23 to be issued such orders and directives as such head deems
24 necessary to carry out such regulations.

25 (d) The Administrator is authorized to delegate and

1 to authorize successive redelegation of any authority trans-
2 fered to or vested in him by this Act (except for the
3 authority to issue regulations on matters of policy having
4 application to executive agencies, the authority contained
5 in section 106, and except as otherwise provided in this
6 Act) to any official in the General Services Agency or to
7 the head of any other Federal agency.

8 (e) With respect to any function transferred to or
9 vested in the General Services Agency or the Administrator
10 by this Act, the Administrator may (1) direct the under-
11 taking of its performance by the General Services Agency
12 or by any constituent organization therein which he may
13 designate or establish; or (2) designate and authorize any
14 executive agency to perform such function for itself; or (3)
15 designate and authorize any other executive agency to per-
16 form such function; or (4) provide for such performance
17 by any combination of the foregoing methods. Any desig-
18 nation or assignment of functions or delegation of authority
19 to another executive agency under this section shall be
20 made only with the consent of the executive agency con-
21 cerned or upon direction of the President.

22 (f) When any executive agency (including the
23 General Services Agency and constituent organizations there-
24 of) is authorized and directed by the Administrator to carry
25 out any function under this Act, the Administrator may,

1 with the approval of the Director of the Bureau of the
2 Budget, provide for the transfer of appropriate personnel,
3 records, property, and allocated funds of the General Services
4 Agency, or of such other executive agency as has theretofore
5 carried out such function, to the executive agency so author-
6 ized and directed.

7 (g) The Administrator may establish advisory com-
8 mittees to advise with him with respect to any function trans-
9 ferred to or vested in the Administrator by this Act. The
10 members thereof shall serve without compensation but
11 shall be entitled to transportation and not to exceed \$25
12 per diem in lieu of subsistence, as authorized by section 5
13 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
14 persons so serving.

15 (h) The Administrator shall advise and consult with
16 interested Federal agencies with a view to obtaining their
17 advice and assistance in carrying out the purposes of this
18 title.

19 SURVEYS AND STANDARDIZATION

20 SEC. 206. (a) As he may deem necessary for the effec-
21 tuation of his functions under this title, and after adequate
22 advance notice to the agencies affected, and with due regard
23 to the requirements of the National Military Establishment
24 as determined by the Secretary of Defense, the Adminis-
25 trator is authorized (1) to make surveys of Government

1 property and property management practices and obtain
2 reports thereon from Federal agencies; (2) to cooperate
3 with executive agencies in the establishment of reasonable
4 inventory levels for property stocked by them and from time
5 to time report any excessive stocking to the Congress and
6 to the Director of the Bureau of the Budget; (3) to estab-
7 lish and maintain such uniform Federal supply catalog system
8 as may be appropriate to identify and classify personal prop-
9 erty under the control of Federal agencies: *Provided*, That
10 the Administrator shall coordinate his activities hereunder
11 with the cataloging activities of the National Military Estab-
12 lishment so as to avoid unnecessary duplication; and (4) to
13 prescribe standardized forms and procedures, except such
14 as the Comptroller General is authorized by law to prescribe,
15 and standard purchase specifications.

16 (b) Each executive agency shall utilize such uniform
17 Federal supply catalog system and standard purchase speci-
18 fications as far as practicable, taking into consideration
19 efficiency, economy, and other interests of the Government.

20 (c) The General Accounting Office shall audit all types
21 of property accounts and transactions at such times and in
22 such manner as determined by the Comptroller General.
23 Such audit shall be conducted as far as practicable at the
24 place or places where the property or records of the execu-
25 tive agencies are kept and shall include but not necessarily

- ① be limited to an evaluation of the effectiveness of internal
- ② controls and audits, and a general audit of the discharge of
- ③ accountability for Government-owned or controlled property
- ④ based upon generally accepted principles of auditing.

⑤ APPlicABILITY OF ANTITRUST LAWS

⑥ SEC. 207. Whenever any executive agency shall begin
⑦ negotiations for the disposition to private interests of a plant
⑧ or plants, or other property, which cost the Government
⑨ \$1,000,000 or more, or of patents, processes, techniques, or
⑩ inventions, irrespective of cost, the executive agency shall
⑪ promptly notify the Attorney General of the proposed dis-
⑫ posal and the probable terms or conditions thereof. Within
⑬ a reasonable time, in no event to exceed thirty days after
⑭ receiving such notification, the Attorney General shall advise
⑮ the Administrator and the interested executive agency
⑯ whether, insofar as he can determine, the proposed disposition
⑰ would tend to create or maintain a situation inconsistent with
⑱ the antitrust laws. Upon the request of the Attorney
⑲ General, the Administrator or interested executive agency
⑳ shall furnish or cause to be furnished such information as it
㉑ may possess which the Attorney General determines to be
㉒ appropriate or necessary to enable him to give the advice
㉓ called for by this section or to determine whether any other
㉔ disposition or proposed disposition of surplus property
㉕ violates the antitrust laws. Nothing in this Act shall impair,

1 amend, or modify the antitrust laws or limit and prevent their
2 application to persons who buy or otherwise acquire property
3 under the provisions of this Act. As used in this section, the
4 term "antitrust laws" includes the Act of July 2, 1890 (26
5 Stat. 209, as amended) ; the Act of October 15, 1914 (38
6 Stat. 730, as amended) ; the Federal Trade Commission
7 Act (38 Stat. 717, as amended) ; and sections 73 and 74 of
8 the Act of August 27, 1894 (28 Stat. 570, as amended).

9 EMPLOYMENT OF PERSONNEL

10 SEC. 208. (a) The Administrator is authorized, subject
11 to the civil-service and classification laws, to appoint and fix
12 the compensation of such personnel as may be necessary
13 to carry out the provisions of title I, II, III, and V of this
14 Act.

15 (b) To such extent as he finds necessary to carry out
16 the provisions of titles I, II, III, and V of this Act, the Ad-
17 ministrator is hereby authorized to procure the temporary
18 (not in excess of one year) or intermittent services of experts
19 or consultants or organizations thereof, including stenographic
20 reporting services, by contract or appointment, and in such
21 cases such service shall be without regard to the civil-service
22 and classification laws, and, except in the case of stenographic
23 reporting services by organizations, without regard to section
24 3709, Revised Statutes, as amended (41 U. S. C. 5).

25 (c) Notwithstanding the provisions of section 1222 of

1 the Revised Statutes (10 U. S. C. 576) or of any other
2 provision of law, the Administrator in carrying out the
3 functions imposed upon him by this Act is authorized to
4 utilize in his agency the services of officials, officers, and
5 other personnel in other executive agencies, including per-
6 sonnel of the armed services, with the consent of the head of
7 the agency concerned.

8 CIVIL REMEDIES AND PENALTIES

9 SEC. 209. (a) Where any property is transferred or
10 disposed of in accordance with this Act and any regulations
11 prescribed hereunder, no officer or employee of the Govern-
12 ment shall (1) be liable with respect to such transfer or
13 disposition except for his own fraud, or (2) be accountable
14 for the collection of any purchase price for such property
15 which is determined to be uncollectible by the Federal agency
16 responsible therefor.

17 (b) Every person who shall use or engage in, or cause
18 to be used or engaged in, or enter into an agreement, com-
19 bination, or conspiracy to use or engage in or to cause to
20 be used or engaged in, any fraudulent trick, scheme, or
21 device, for the purpose of securing or obtaining, or aiding to
22 secure or obtain, for any person any payment, property, or
23 other benefits from the United States or any Federal agency
24 in connection with the procurement, transfer, or disposition
25 of property hereunder—

1 (1) shall pay to the United States the sum of
2 \$2,000 for each such act, and double the amount of any
3 damage which the United States may have sustained by
4 reason thereof, together with the cost of suit; or

5 (2) shall, if the United States shall so elect, pay
6 to the United States, as liquidated damages, a sum equal
7 to twice the consideration agreed to be given by the
8 United States or any Federal agency to such person or
9 by such person to the United States or any Federal
10 agency, as the case may be; or

11 (3) shall, if the United States shall so elect, re-
12 store to the United States the money or property thus
13 secured and obtained and the United States shall retain
14 as liquidated damages any property, money, or other
15 consideration given to the United States or any Federal
16 agency for such money or property, as the case may be.

17 (c) The several district courts of the United States,
18 the District Court of the United States for the District of
19 Columbia, and the several district courts of the Territories
20 and possessions of the United States, within whose jurisdic-
21 tional limits the person, or persons, doing or committing such
22 act, or any one of them, resides or shall be found, shall where-
23 soever such act may have been done or committed, have

1 full power and jurisdiction to hear, try, and determine such
2 suit.

3 (d) The civil remedies provided in this section shall
4 be in addition to all other criminal penalties and civil
5 remedies provided by law.

6 REPORTS TO CONGRESS

7 SEC. 210. The Administrator shall submit a report to
8 the Congress, in January of each year and at such
9 other times as he may deem it desirable, regarding the ad-
10 ministration of his functions under this Act, together with
11 such recommendations for amendments to this Act as
12 he may deem appropriate as the result of the administration
13 of this Act.

14 TITLE III—PROCUREMENT PROCEDURE

15 DECLARATION OF PURPOSE

16 SEC. 301. The purpose of this title is to facilitate the
17 procurement of supplies and services.

18 APPLICATION AND PROCUREMENT METHODS

19 SEC. 302. (a) The provisions of this title shall be ap-
20 plicable to purchases and contracts for supplies or services
21 made—

22 (1) by the General Services Agency for the use
23 of such agency or otherwise; and

24 (2) by any other executive agency (except any
25 agency named in section 2 (a) of the Armed Services

1 Procurement Act of 1947), to the extent of and in con-
2 formity with authority delegated by the Administrator
3 pursuant to the provisions of this subsection.
4 The Administrator may delegate to the head of any other
5 such agency authority to make purchases and contracts for
6 supplies or services pursuant to the provisions of this title
7 (A) for the use of two or more executive agencies or (B)
8 in other cases upon a determination by the Administrator
9 that by reason of circumstances set forth in such determina-
10 tion such delegation is advantageous to the Government in
11 terms of economy, efficiency, or national security. Notice
12 of every such delegation of authority so made shall be fur-
13 nished to the General Accounting Office.
14 (b) It is the declared policy of the Congress that a fair
15 proportion of the total purchases and contracts for supplies
16 and services for the Government shall be placed with small-
17 business concerns. Whenever it is proposed to make a
18 contract or purchase in excess of \$10,000 by negotiation
19 and without advertising, pursuant to the authority of para-
20 graph (7) or (8) of section 302 (e) of this title, suitable
21 advance publicity, as determined by the agency head with
22 due regard to the type of supplies involved and other rel-
23 evant considerations, shall be given for a period of at least
24 fifteen days, wherever practicable, as determined by the
25 agency head.

1 (c) All purchases and contracts for supplies and serv-
2 ices shall be made by advertising, as provided in section 303,
3 except that such purchases and contracts may be negotiated
4 by the agency head without advertising if—

5 (1) determined to be necessary in the public
6 interest during the period of a national emergency
7 declared by the President or by the Congress;

8 (2) the public exigency will not admit of the delay
9 incident to advertising;

10 (3) the aggregate amount involved does not exceed
11 \$1,000: *Provided*, That no agency other than the
12 General Services Agency shall make any purchase of,
13 or contract for, supplies or services in excess of \$500
14 under this paragraph except in the exercise of authority
15 conferred by the Administrator to procure and furnish
16 supplies and services for the use of two or more executive
17 agencies;

18 (4) for personal or professional services;

19 (5) for any service to be rendered by any univer-
20 sity, college, or other educational institution;

21 (6) the supplies or services are to be procured and
22 used outside the limits of the United States and its
23 possessions;

24 (7) for medicines or medical supplies;

25 (8) for supplies purchased for authorized resale;

1 (9) for supplies or services for which it is imprac-
2 ticable to secure competition;

3 (10) the agency head determines that the purchase
4 or contract is for experimental, developmental, or re-
5 search work, or for the manufacture or furnishing of
6 supplies for experimentation, development, research, or
7 test: *Provided*, That beginning six months after the
8 effective date of this title and at the end of each six-
9 month period thereafter, there shall be furnished to the
10 Congress a report setting forth the name of each con-
11 tractor with whom a contract has been entered into
12 pursuant to this paragraph (10) since the date of the
13 last such report, the amount of the contract, and, with
14 due consideration given to the national security, a de-
15 scription of the work required to be performed
16 thereunder;

17 (11) for supplies or services as to which the agency
18 head determines that the character, ingredients, or com-
19 ponents thereof are such that the purchase or contract
20 should not be publicly disclosed;

21 (12) for equipment which the agency head deter-
22 mines to be technical equipment, and as to which he
23 determines that the procurement thereof without ad-
24 vertising is necessary in special situations or in particular
25 localities in order to assure standardization of equipment

1 and interchangeability of parts and that such standard-
2 ization and interchangeability is necessary in the public
3 interest;

4 (13) for supplies or services as to which the agency
5 head determines that bid prices after advertising there-
6 for are not reasonable (either as to all or as to some part
7 of the requirements) or have not been independently
8 arrived at in open competition: *Provided*, That no
9 negotiated purchase or contract may be entered into
10 under this paragraph after the rejection of all or some
11 of the bids received unless (A) notification of the inten-
12 tion to negotiate and reasonable opportunity to negotiate
13 shall have been given by the agency head to each re-
14 sponsible bidder and (B) the negotiated price is the
15 lowest negotiated price offered by any responsible
16 supplier; or

17 (14) otherwise authorized by law.

18 (d) If in the opinion of the agency head bids received
19 after advertising evidence any violation of the antitrust laws
20 he shall refer such bids to the Attorney General for appro-
21 priate action.

22 (e) This section shall not be construed to (A) authorize
23 the erection, repair, or furnishing of any public building or
24 public improvement, but such authorization shall be required
25 in the same manner as heretofore, or (B) permit any con-

1 tract for the construction or repair of buildings, roads, side-
2 walks, sewers, mains, or similar items to be negotiated with-
3 out advertising as required by section 303, unless such con-
4 tract is to be performed outside the continental United States
5 or unless negotiation of such contract is authorized by the
6 provisions of paragraph (1), (2), (3), (9), (10), (11),
7 or (13) of subsection (c) of this section.

8 ADVERTISING REQUIREMENTS

9 SEC. 303. Whenever advertising is required—

10 (a) The advertisement for bids shall be made a sufficient
11 time previous to the purchase or contract, and specifications
12 and invitations for bids shall permit such full and free com-
13 petition as is consistent with the procurement of types of
14 supplies and services necessary to meet the requirements of
15 the agency concerned.

16 (b) All bids shall be publicly opened at the time and
17 place stated in the advertisement. Award shall be made with
18 reasonable promptness by written notice to that responsible
19 bidder whose bid, conforming to the invitation for bids, will
20 be most advantageous to the Government, price and other
21 factors considered: *Provided*, That all bids may be rejected
22 when the agency head determines that it is in the public
23 interest so to do.

24 REQUIREMENTS OF NEGOTIATED CONTRACTS

25 SEC. 304. (a) Except as provided in subsection (b)

1 of this section, contracts negotiated pursuant to section 302
2 (c) may be of any type which in the opinion of the agency
3 head will promote the best interests of the Government.
4 Every contract negotiated pursuant to section 302 (c) shall
5 contain a suitable warranty, as determined by the agency
6 head, by the contractor that no person or selling agency
7 has been employed or retained to solicit or secure such
8 contract upon an agreement or understanding for a commis-
9 sion, percentage, brokerage, or contingent fee, excepting
10 bona fide employees or bona fide established commercial or
11 selling agencies maintained by the contractor for the pur-
12 pose of securing business, for the breach or violation of
13 which warranty the Government shall have the right to
14 annul such contract without liability or in its discretion to
15 deduct from the contract price or consideration the full
16 amount of such commission, percentage, brokerage, or
17 contingent fee.

18 (b) The cost-plus-a-percentage-of-cost system of con-
19 tracting shall not be used, and in the case of a cost-plus-a-
20 fixed-fee contract the fee shall not exceed 10 per centum
21 of the estimated cost of the contract, exclusive of the fee,
22 as determined by the agency head at the time of entering
23 into such contract (except that a fee not in excess of 15
24 per centum of such estimated cost is authorized in any
25 such contract for experimental, developmental, or research

1 work and that a fee inclusive of the contractor's costs and
2 not in excess of 6 per centum of the estimated cost, exclu-
3 sive of fees, as determined by the agency head at the time
4 of entering into the contract, of the project to which such
5 fee is applicable is authorized in contracts for architectural
6 or engineering services relating to any public works or
7 utility project). Neither a cost nor a cost-plus-a-fixed-fee
8 contract nor an incentive-type contract shall be used unless
9 the agency head determines that such method of contract-
10 ing is likely to be less costly than other methods or that
11 it is impractical to secure supplies or services of the kind
12 or quality required without the use of a cost or cost-plus-
13 a-fixed-fee contract or an incentive-type contract. All cost
14 and cost-plus-a-fixed-fee contracts shall provide for advance
15 notification by the contractor to the procuring agency of
16 any subcontract thereunder on a cost-plus-a-fixed-fee basis
17 and of any fixed-price subcontract or purchase order which
18 exceeds in dollar amount either \$25,000 or 5 per centum
19 of the total estimated cost of the prime contract; and a
20 procuring agency, through any authorized representative
21 thereof, shall have the right to inspect the plans and to audit
22 the books and records of any prime contractor or subcon-
23 tractor engaged in the performance of a cost or cost-plus-a-
24 fixed-fee contract.

1

ADVANCE PAYMENTS

2 SEC. 305. (a) The agency head may make advance
3 payments under negotiated contracts heretofore or hereafter
4 executed in any amount not exceeding the contract price
5 upon such terms as the parties shall agree: *Provided*, That
6 advance payments shall be made only upon adequate security
7 and if the agency head determines that provision for such
8 advance payments is in the public interest or in the interest
9 of the national defense and is necessary and appropriate in
10 order to procure required supplies or services under the
11 contract.

12 (b) The terms governing advance payments may in-
13 clude as security provision for, and upon inclusion of such
14 provision there shall thereby be created, a lien in favor of
15 the Government, paramount to all other liens, upon the
16 supplies contracted for, upon the credit balance in any special
17 account in which such payments may be deposited and upon
18 such of the material and other property acquired for perform-
19 ance of the contract as the parties shall agree.

20

WAIVER OF LIQUIDATED DAMAGES

21 SEC. 306. Whenever any contract made on behalf of
22 the Government by the agency head or by officers authorized
23 by him so to do includes a provision for liquidated damages
24 for delay, the Comptroller General on the recommendation
25 of the agency head is authorized and empowered to remit

1 the whole or any part of such damages as in his discretion
2 may be just and equitable.

3 ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

4 SEC. 307. (a) The determinations and decisions pro-
5 vided in this title to be made by the Administrator or other
6 agency head may be made with respect to individual pur-
7 chases and contracts or with respect to classes of purchases
8 or contracts, and shall be final. Except as provided in sub-
9 section (b) of this section, the agency head is authorized
10 to delegate his powers provided by this title, including the
11 making of such determinations and decisions, in his discre-
12 tion and subject to his direction, to any other officer or
13 officers or officials of the agency:

14 (b) The power of the agency head to make the deter-
15 minations or decisions specified in paragraphs (11) and
16 (12) of section 302 (c) and in section 305 (a) shall not
17 be delegable, and the power to make the determinations
18 or decisions specified in paragraph (10) of section 302 (c)
19 shall be delegable only to a chief officer responsible for
20 procurement and only with respect to contracts which will
21 not require the expenditure of more than \$25,000. The
22 power of the Administrator to make the delegations and
23 determinations specified in section 302 (a) shall be delegable
24 only to the Deputy Administrator of the General Services

1 Agency or to the chief official of any principal constituent
2 agency of the General Services Agency.

3 (c) Each determination or decision required by para-
4 graphs (10), (11), 12), or (13) of section 302 (c), by
5 section 304 or by section 305 (a) shall be based upon
6 written findings made by the official making such deter-
7 mination, which findings shall be final and shall be available
8 within the agency for a period of at least six years following
9 the date of the determination. A copy of the findings shall
10 be submitted to the General Accounting Office with the
11 contract.

12 (d) In any case where any purchase or contract is
13 negotiated pursuant to the provisions of section 302 (c),
14 except in a case covered by paragraphs (2), (3), (4),
15 (5), or (6) thereof, the data with respect to the negotiation
16 shall be preserved in the files of the agency for a period of
17 six years following final payment on such contract.

18 STATUTES CONTINUED IN EFFECT

19 SEC. 308. No purchase or contract shall be exempt
20 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
21 41 U. S. C. 35 to 45), or from the Act of March 3, 1931
22 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),
23 solely by reason of having been entered into pursuant to sec-
24 tion 302 (c) hereof without advertising, and the provisions
25 of said Acts and of the Act of June 19, 1912 (37 Stat. 137,

1 as amended; 40 U. S. C. 324 and 325a), if otherwise
2 applicable, shall apply to such purchases and contracts.

3 DEFINITIONS

4 SEC. 309. As used in this title—

5 (a) The term “agency head” shall mean the head or
6 any assistant head of any executive agency, and may at the
7 option of the Administrator include the chief official of any
8 principal constituent agency of the General Services Agency.

9 (b) The term “supplies” shall mean all property except
10 land, and shall include, by way of description and without
11 limitation, public works, buildings, facilities, ships, floating
12 equipment, and vessels of every character, type and descrip-
13 tion, aircraft, parts, accessories, equipment, machine tools
14 and alteration or installation thereof.

15 STATUTES NOT APPLICABLE

16 SEC. 310. The following provisions of law shall not
17 apply to the procurement of supplies or services (1) by
18 the General Services Agency, or (2) within the scope of
19 authority delegated by the Administrator to any other
20 executive agency:

21 Revised Statutes, section 3709, as amended (41 U. S. C.
22 5);

23 Revised Statutes, section 3735 (41 U. S. C. 13);

24 Sections 1 and 2 of the Act of October 10, 1940 (54
25 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

1 TITLE IV—FOREIGN EXCESS PROPERTY

2 DISPOSAL OF FOREIGN EXCESS PROPERTY

3 SEC. 401. Each executive agency having foreign excess
4 property shall be responsible for the disposal thereof: *Pro-*
5 *vided*, That (a) the head of each such executive agency
6 shall, with respect to the disposition of such property, con-
7 form to the foreign policy of the United States; (b) the
8 Secretary of State shall have the authority to use foreign
9 currencies and credits acquired by the United States under
10 section 402 (b) of this Act in order to effectuate the pur-
11 poses of section 32 (b) (2) of the Surplus Property Act
12 of 1944, as amended, and the Foreign Service Buildings
13 Act of May 7, 1926, as amended (including Public Law
14 547, Seventy-ninth Congress (60 Stat. 663)), and for
15 the purpose of paying any other governmental expenses pay-
16 able in local currencies, and the authority to amend, modify,
17 and renew agreements in effect on the effective date of
18 this Act; (c) any foreign currencies or credits acquired
19 by the Department of State pursuant to such agreements
20 shall be administered in accordance with procedures that
21 may from time to time be established by the Secretary of
22 the Treasury and, if and when reduced to United States
23 currency, shall be covered into the Treasury as miscellaneous
24 receipts; and (d) the Department of State shall, except to
25 such extent as the President shall otherwise determine, con-

1 tinue to perform other functions with respect to agreements
2 for the disposal of foreign excess property in effect on the
3 effective date of this Act.

.4 METHODS AND TERMS OF DISPOSAL

5 SEC. 402. Foreign excess property may be disposed of
6 (a) by sale, exchange, lease, or transfer, for cash, credit,
7 or other property, with or without warranty, and upon such
8 other terms and conditions as the head of the executive
9 agency concerned deems proper; but in no event shall any
10 agricultural commodity, food, or cotton or woolen goods be
11 sold without a condition forbidding their importation into
12 the United States, unless the Secretary of Agriculture deter-
13 mines that such property is in short supply in this country,
14 or (b) for foreign currencies or credits, or substantial bene-
15 fits or the discharge of claims resulting from the compromise
16 or settlement of such claims by any executive agency in
17 accordance with the law, whenever the head of the execu-
18 tive agency concerned determines that it is in the interest
19 of the United States to do so. Such property may be dis-
20 posed of without advertising when the head of the executive
21 agency concerned finds so doing to be most practicable and
22 to be advantageous to the Government. The head of each
23 executive agency responsible for the disposal of foreign
24 excess property may execute such documents for the transfer
25 of title or other interest in property and take such other

1 action as he deems necessary or proper to dispose of such
2 property; and may authorize the abandonment, destruction,
3 or donation of foreign excess property under his control
4 which has no commercial value or the estimated cost of
5 care and handling of which would exceed the estimated
6 proceeds from its sale.

7 PROCEEDS, FOREIGN CURRENCIES

8 SEC. 403. Proceeds from the sale, lease, or other dis-
9 position of foreign excess property, (a) shall, if in the
10 form of foreign currencies or credits, be administered in ac-
11 cordance with procedures that may from time to time be
12 established by the Secretary of the Treasury, and (b) shall,
13 if in United States currency, or when any proceeds in foreign
14 currencies or credits shall be reduced to United States cur-
15 rency, be covered into the Treasury as miscellaneous re-
16 ceipts: *Provided*, That the provisions of section 204 (b)
17 (which by their terms apply to property disposed of under
18 title II) shall be applicable to proceeds of foreign excess
19 property disposed of for United States currency under this
20 title IV: *And provided further*, That any executive agency
21 disposing of foreign excess property under this title (1) may
22 deposit, in a special account with the Treasurer of the United
23 States, such amount of the proceeds of such dispositions
24 as it deems necessary to permit appropriate refunds to
25 purchasers when any disposition is rescinded or does not

1 become final, or payments for breach of any warranty, and
2 (2) may withdraw therefrom amounts so to be refunded or
3 paid, without regard to the origin of the funds withdrawn.

4 MISCELLANEOUS PROVISIONS

5 SEC. 404. (a) The President may prescribe such poli-
6 cies, not inconsistent with the provisions of this title, as he
7 shall deem necessary to effectuate the provisions of this title,
8 which provisions shall guide each executive agency in carry-
9 ing out its functions hereunder.

10 (b) Any authority conferred upon any executive agency
11 or the head thereof by the provisions of this title may be
12 delegated, and successive redelegation thereof may be author-
13 ized, by such head to any official in such agency or to the
14 head of any other executive agency.

15 (c) The head of each executive agency responsible for
16 the disposal of foreign excess property hereunder may, as
17 may be necessary to carry out his functions under this
18 title, (1) subject to the civil-service and classification laws,
19 appoint and fix the compensation of personnel, and (2)
20 without regard to the civil-service and classification laws,
21 appoint and fix the compensation of personnel outside the
22 continental limits of the United States.

23 (d) Each executive agency responsible for the dis-
24 posal of foreign excess property under this title shall submit
25 a report to Congress in January of each year or at such other

1 time or times as he may deem desirable relative to its
2 activities under this title, together with any appropriate
3 recommendations.

4 (e) There shall be transferred from the Department of
5 State to each other executive agency affected by this title
6 such records, property, personnel, obligations, commitments,
7 and unexpended balances of appropriations, allocations, and
8 other funds, available or to be made available, as the Direc-
9 tor of the Bureau of the Budget shall determine to relate to
10 functions of such agency under this title which have here-
11 tofore been administered by the Department of State.

12 **TITLE V—GENERAL PROVISIONS**

13 **APPLICABILITY OF EXISTING PROCEDURES**

14 SEC. 501. All policies, procedures, and directives
15 prescribed—

16 (a) by either the Director, Bureau of Federal Sup-
17 ply, or the Secretary of the Treasury and relating to
18 any function transferred to or vested in the Adminis-
19 trator by the provisions of this Act;

20 (b) by any officer of the Government under the
21 authority of the Surplus Property Act of 1944, as
22 amended, or under other authority with respect to sur-
23 plus property or foreign excess property;

24 (c) by or under authority of the Federal Works

1 Administrator or the head of any constituent agency of
2 the Federal Works Agency; and

3 (d) by the Archivist of the United States or any
4 other officer or body whose functions are transferred by
5 title I of this Act,

6 in effect upon the effective date of this Act and not incon-
7 sistent herewith, shall remain in full force and effect unless
8 and until superseded, or except as they may be amended,
9 under the authority of this Act or under other appropriate
10 authority.

REPEAL AND SAVING PROVISIONS

12 SEC. 502. (a) There are hereby repealed—

13 (1) the Surplus Property Act of 1944, as amended
14 (except sections 13 (a), 13 (g), 13 (h), 28, and 32
15 (b) (2)), and sections 501 and 502 of Reorganization
16 Plan Numbered 1 of 1947: *Provided*, That, with respect
17 to the disposal under this Act of any surplus real estate,
18 all priorities and preferences provided for in said Act,
19 as amended, shall continue in effect;

1 1948 (Public Law 862, Eightieth Congress), as
2 amended, appearing under the caption "Surplus prop-
3 erty disposal";

4 (3) the Act entitled "An Act to authorize the
5 Secretary of War to dispose of material no longer needed
6 by the Army", approved February 28, 1936 (49 Stat.
7 1147; 10 U. S. C. 1258);

8 (4) the Act entitled "An Act to authorize the
9 Secretary of the Navy to dispose of material no longer
10 needed by the Navy", approved May 23, 1930, as
11 amended (46 Stat. 378; 34 U. S. C. 546c);

12 (5) section 5 of the Act of July 11, 1919 (41
13 Stat. 67; 40 U. S. C. 311);

14 (6) section 1 of the Act of December 20, 1928
15 (45 Stat. 1030; 40 U. S. C. 311a);

16 (7) the Act entitled "An Act to authorize the
17 Secretary of the Army, the Secretary of the Navy, and
18 the Secretary of the Air Force to donate excess and
19 surplus property for educational purposes", approved
20 July 2, 1948 (Public Law 889, Eightieth Congress);

21 (8) section 203 of the Act of June 26, 1943 (57
22 Stat. 195, as amended; 5 U. S. C. 118d-1);

23 (9) the Act of April 15, 1937 (50 Stat. 64; 5
24 U. S. C. 118d);

25 (10) the second proviso contained in the para-

1 graph of the Act of August 10, 1912 (37 Stat. 296;
2 5 U. S. C. 545), headed "Contingent expenses, Depart-
3 ment of Agriculture";

4 (11) the second proviso contained in the twentieth
5 paragraph of section 1 of the Act of March 2, 1917
6 (39 Stat. 973; 5 U. S. C. 494);

7 (12) the twenty-sixth paragraph under the head-
8 ing "National Parks" of the Act of January 24, 1923
9 (42 Stat. 1215; 16 U. S. C. 9);

10 (13) the fifth paragraph under the heading "Ex-
11 periments and demonstrations in livestock production
12 in the cane-sugar and cotton districts of the United
13 States" of the Act of June 30, 1914 (38 Stat. 441; 5
14 U. S. C. 546);

15 (14) the proviso contained in the second para-
16 graph under the heading "Library, Department of
17 Agriculture" of the Act of March 4, 1915 (38 Stat.
18 1107; 5 U. S. C. 548);

19 (15) the second proviso contained in the second
20 paragraph under the heading "Clothing and camp and
21 garrison equipage" of section 1 of the Act of August
22 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

23 (16) the Act of May 11, 1939 (53 Stat. 739;
24 10 U. S. C. 1271a);

1 (17) the fifth paragraph under the heading "Office
2 of the Chief Signal Officer" of the Act of May 12, 1917
3 (40 Stat. 43, as amended; 10 U. S. C. 1272);

4 (18) the third proviso contained in the second
5 paragraph under the heading "Office of the Chief Signal
6 Officer" of the Act of March 4, 1915 (38 Stat. 1064;
7 10 U. S. C. 1273);

8 (19) the fourteenth paragraph under the heading
9 "Smithsonian Institution" of section 1 of the Act of
10 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

11 (20) the second paragraph under the heading
12 "Government hospital for the insane" of section 1 of
13 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
14 173);

15 (21) the second paragraph under the heading
16 "Saint Elizabeths Hospital" of section 1 of the Act of
17 June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

18 (22) the proviso contained in the second para-
19 graph under the heading "Bureau of Supplies and Ac-
20 counts" of the Act of August 22, 1912 (37 Stat. 346;
21 34 U. S. C. 531a);

22 (23) the second proviso of the first paragraph
23 under the heading "Bureau of Yards and Docks" of
24 the Act of August 29, 1916 (34 U. S. C. 532);

25 (24) the proviso contained in the second paragraph

1 under the heading "Maintenance, Quartermaster's De-
2 partment, Marine Corps" of the Act of March 4, 1917
3 (39 Stat. 1189; 34 U. S. C. 723) ;

4 (25) the twentieth paragraph under the heading
5 "Bureau of Mines" of section 1 of the Act of July 19,
6 1919 (41 Stat. 200; 40 U. S. C. 118) ;

7 (26) the first sentence of section 5 of the Act of
8 March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26) ;

9 (27) the third paragraph under the heading "In-
10 terstate Commerce Commission" of section 1 of the Act
11 of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58) ; and

12 (28) the Act of June 6, 1941 (55 Stat. 247;
13 14 U. S. C. 31b).

14 (b) The provisions of the first, third, and fifth para-
15 graphs of section 1 of Executive Order Numbered 6166 of
16 June 10, 1933, are hereby superseded, insofar as they relate
17 to any function now administered by the Bureau of Federal
18 Supply except functions with respect to standard contract
19 forms.

20 (c) The authority conferred by this Act is in addition
21 to any authority conferred by any other law and shall not
22 be subject to the provisions of any law inconsistent herewith,
23 except that sections 205 (b) and 206 (c) of this Act shall
24 not be applicable to any Government corporation or agency

1 which is subject to the Government Corporation Control Act
2 (59 Stat. 597; 31 U. S. C. 841).

3 (d) Nothing in this Act shall impair or affect any
4 authority of—

5 (1) the President under the Philippine Property
6 Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

7 (2) any executive agency with respect to any phase
8 (including, but not limited to, procurement, storage,
9 transportation, processing, and disposal) of any pro-
10 gram conducted for purposes of resale, price support,
11 grants to farmers, stabilization, transfer to foreign gov-
12 ernments, or foreign aid, relief, or rehabilitation: *Pro-*
13 *vided*, That the agency carrying out such program shall,
14 to the maximum extent practicable, consistent with the
15 fulfillment of the purposes of the program and the effec-
16 tive and efficient conduct of its business, coordinate its
17 operations with the requirements of this Act and the
18 policies and regulations prescribed pursuant thereto;

19 (3) any executive agency named in the Armed
20 Services Procurement Act of 1947, and the head thereof,
21 with respect to the administration of said Act;

22 (4) the National Military Establishment with re-
23 spect to property required for or located in occupied
24 territories;

25 (5) the Secretary of Defense with respect to the

1 administration of the National Industrial Reserve Act
2 of 1948;

3 (6) the Secretary of Defense, the Munitions Board,
4 and the Secretaries of the Army, Navy, and Air Force
5 with respect to the administration of the Strategic and
6 Critical Materials Stock Piling Act (60 Stat. 596),
7 and provided that any imported materials which the
8 authorized procuring agency shall certify to the Com-
9 missioner of Customs to be strategic and critical ma-
10 terials procured under said Act may be entered, or
11 withdrawn from warehouse, free of duty;

12 (7) the Secretary of State under the Foreign Serv-
13 ice Buildings Act of May 7, 1926, as amended;

14 (8) the Secretary of the Army and the Secretary
15 of the Air Force with respect to the administration of
16 section 1 (b) of the Act entitled "An Act to expedite
17 the strengthening of the national defense", approved
18 July 2, 1940 (54 Stat. 712);

19 (9) the Secretary of Agriculture or the Depart-
20 ment of Agriculture under (A) the National School
21 Lunch Act (60 Stat. 230); (B) the Farmers Home
22 Administration Act of 1946 (60 Stat. 1062); (C) the
23 Act of August 31, 1947, Public Law 298, Eightieth
24 Congress, with respect to the disposal of labor supply
25 centers, and labor homes, labor camps, or facilities; (D)

1 section 32 of the Act of August 24, 1935 (49 Stat.
2 774), as amended, with respect to the exportation and
3 domestic consumption of agricultural products; or (E)
4 section 201 of the Agricultural Adjustment Act of
5 1938 (52 Stat. 36) or section 203 (j) of the Agri-
6 cultural Marketing Act of 1946 (60 Stat. 1082);

7 (10) the Secretary of Agriculture, Farm Credit
8 Administration, or any farm credit board under section
9 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
10 with respect to the acquisition or disposal of property;

11 (11) the Housing and Home Finance Agency, or
12 any officer or constituent agency therein, with respect
13 to the disposal of residential property, or of other prop-
14 erty (real or personal) held as part of or acquired for
15 or in connection with residential property, or in connec-
16 tion with the insurance of mortgages, loans, or savings
17 and loan accounts under the National Housing Act;

18 (12) the Tennessee Valley Authority with respect to
19 nonpersonal services, with respect to the matters referred
20 to in section 201 (a) (4), and with respect to any
21 property acquired or to be acquired for or in connection
22 with any program of processing, manufacture, produc-
23 tion, or force account construction: *Provided*, That the
24 Tennessee Valley Authority shall to the maximum extent
25 that it may deem practicable, consistent with the fulfill-

1 ment of the purpose of its program and the effective
2 and efficient conduct of its business, coordinate its opera-
3 tions with the requirements of this Act and the policies
4 and regulations prescribed pursuant thereto;

5 (13) the Atomic Energy Commission;

6 (14) the Administrator of Civil Aeronautics or the
7 Chief of the Weather Bureau with respect to the dis-
8 posal of airport property and airway property for use
9 as such property. For the purpose of this paragraph
10 the terms "airport property" and "airway property"
11 shall have the respective meanings ascribed to them in
12 the International Aviation Facilities Act (62 Stat.
13 450);

14 (15) the Postmaster General or the Postal Estab-
15 lishment with respect to the means and methods of
16 distribution and transportation of the mails, and con-
17 tracts, negotiations, and proceedings before Federal and
18 State regulatory and rate-making bodies, relating to the
19 transportation of the mails;

20 (16) except as provided in subsections (a) and
21 (b) hereof, any other law relating to the procurement,
22 utilization, or disposal of property: *Provided*, That,
23 subject to, and within the scope of authority conferred on
24 the Administrator by other provisions of this Act, he
25 is authorized to prescribe regulations to govern any pro-

1 curement, utilization, or disposal of property under any
2 such law, whenever but only to the extent he deems such
3 action necessary to effectuate the provisions of title II;
4 nor

5 (17) for such period of time as the President may
6 specify, any other authority of any executive agency
7 which the President determines within one year after
8 the effective date of this Act should, in the public
9 interest, stand unimpaired by this Act.

10 (e) Section 3709, Revised Statutes, as amended (41
11 U. S. C. 5), is amended by striking out "\$100" wherever
12 it appears therein and inserting in lieu thereof "\$500."

13 (f) The Administrator shall report to the Congress,
14 in January of each year, and at such other times as he may
15 deem it desirable, the laws becoming obsolete by reason of
16 the passage or operation of titles II and III of this Act.

17 **AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER**

18 **AUTHORITY**

19 SEC. 503. (a) There are hereby authorized to be ap-
20 propriated such sums as may be necessary to carry out the
21 provisions of this Act.

22 (b) When authorized by the Director of the Bureau
23 of the Budget, any Federal agency may use, for the dis-
24 position of property under this Act, and for its care and
25 handling pending such disposition, any funds heretofore or

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1 hereafter appropriated, allocated, or available to it for pur-
2 poses similar to those provided for in sections 201, 202,
3 203, and 205 of this Act.

4 **SEPARABILITY**

5 SEC. 504. If any provision of this Act, or the applica-
6 tion thereof to any person or circumstances, is held invalid,
7 the remainder of this Act, and the application of such
8 provision to other persons or circumstances, shall not be
9 affected thereby.

10 **EFFECTIVE DATE**

11 SEC. 505. This Act shall become effective on July 1,
12 1949, except that the provisions of section 502 (a) (2)
13 (repealing prior law relating to the disposition of the affairs
14 of the War Assets Administration) shall become effective
15 on June 30, 1949.

Calendar No. 317

81st CONGRESS
1st Session

S. 1809

[Report No. 338]

A BILL

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

By Mr. McCLELLAN

MAY 9 (legislative day, APRIL 11), 1949
Read twice and placed on the calendar